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**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11
FILMED ENTERTAINMENT INC., : Case No. 15-12244 (SCC)
Debtor. :
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**DECLARATION OF JOHN ROUSSEY IN SUPPORT OF LIMITED OBJECTION OF
UNIVERSAL STUDIOS HOME ENTERTAINMENT LLC TO DEBTOR'S
APPLICATION FOR A FINAL ORDER AUTHORIZING
USE OF CASH COLLATERAL**

John Roussey declares, under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct:

1. I am a Vice President, Credit, of Universal Studios Home Entertainment LLC ("USHE"). All statements contained herein are based on personal knowledge, based upon my investigation of the books and records of USHE, or made upon information and belief.

2. I submit this Declaration in support of USHE's Limited Objection (the "Objection") to the *Motion for Entry of a Final Order Pursuant to Sections 105, 361, 362, 363, 507 and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014, and*

Local Rule 4001-2 (I) Authorizing the Debtor to Use Cash Collateral; (II) Granting Adequate Protection; and (III) Scheduling a Final Hearing (the “Motion”) filed by Filmed Entertainment Inc., a/k/a BMG Columbia House, Bertelsmann Direct North America, Inc., Direct Group North America, Inc. and Direct Brands, Inc. (the “Debtor”).

3. USHE and the Debtor are parties to an Agreement dated as of December 16, 2004 (as extended and amended from time-to-time, the “USHE Agreement”). The terms of the USHE Agreement are subject to strict confidentiality terms and, thus, the agreement is not attached to USHE’s Objection. However, the Debtor is in possession of a copy of the USHE Agreement, and USHE will file the USHE Agreement, under seal, should the Court wish to examine it.

4. Pursuant to the USHE Agreement, USHE granted limited license rights to the Debtor to “Video Devices”, which are defined in the USHE Agreement as “any form of video cassette, cartridge, videogram, video disc, tape or other device existing now or devised in the future, including but not limited to VHS, or DVD on which Video Software is recorded and, when the device is used in conjunction with playback equipment, can be exhibited visually (whether or not synchronized with sound) on the screen of a television receiver or any comparable device existing now or devised in the future.”

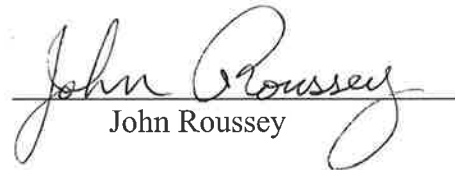
5. The list of Video Devices that the Debtor has identified as remaining in its possession are set forth in Exhibit A hereto.

6. Pursuant to the USHE Agreement, the Debtor agreed that “[t]itle to all materials made available by [USHE] to [the Debtor] hereunder shall be and remain vested in USHE . . .”. Pursuant to the USHE Agreement, USHE agreed to license, only to the Debtor, certain “Video Software” (i.e., certain identified films and television series) to be made available for distribution under the strict terms and conditions of the USHE Agreement in certain territories, and such Video Software was to be distributed by the Debtor subject to the strict license terms of the USHE Agreement.

7. In consideration for the licenses granted under the USHE Agreement, the Debtor agreed, among other things, to pay royalties to USHE and to provide USHE with quarterly

accounting statements setting forth which Video Devices were sold. The Debtor breached the USHE Agreement by failing to provide accounting statements to USHE since the quarterly period ending March 31, 2014, and failed to make payments to USHE since that time.

Executed this 15th day of September, 2015


John Roussey